

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY            )  
CORPORATION FOR AN ADJUSTMENT        ) CASE NO. 2013-00148  
OF RATES AND TARIFF MODIFICATIONS    )

ORDER REGARDING REQUEST FOR CONFIDENTIAL TREATMENT

On August 28, 2013 and on September 23, 2013, Atmos Energy Corporation (“Movant”) moved, pursuant to 807 KAR 5:001, Section 13, and KRS 61.878 that certain materials filed with the Commission be afforded confidential treatment and not be placed in the public record subject to public inspection.

In support of its motion, Movant states that the information it is requesting to be held confidential is contained in its Responses to the August 14, 2013 Attorney General’s First Set of Information Requests Items 58, 59, 75, 76, 6, 97, 98, 99, 105, 107, 179, 176, 180, and 212. Although Movant’s August 28, 2013 request for confidential treatment included the entirety of Item 212, on September 23, 2013, Movant again requested confidential treatment for its responses to Item 212(i), Item 212(j) and Item 212(k).

More particularly the information it is requesting to be held confidential is described as Item 58 – all contracts with Wireless Meter Ready (“WMR”) vendors or contractors and Item 59 – all bids for WMR equipment, software, construction, and contracting services. Movant states that these documents show the cost of the product and associated equipment and service, the rates charged by the vendor, the terms on which Movant engaged the vendor and the vendor performed, the terms and conditions

of the contracted services and the methodologies used in evaluating the bids. Movant states that disclosing these details will allow Movant's competitors and other potential vendors to see the steps involved in the bid and contracting process, giving these competitors and vendors an unfair commercial advantage. Movant states that Movant and the vendors consider the information confidential and proprietary and that public disclosure of such information would allow future vendors to see the terms upon which Movant commonly does business, could affect future bids, and that future bidders could use the information to their competitive advantage and to the detriment of Movant.

Items 75 and 76 request information pertaining to internal accounting controls, reviews of internal accounting matters and audits of Movant's financial records that are the product of extensive time and money invested by Movant. More particularly, the information requested by Item 75 includes all controls that ensure the accuracy of Movant's books and records and copies of documents related to reviews which Movant has received from KPMG LLP ("KPMG") in the past five years. Movant states that the accounting controls provide information that details the internal financial operations of the company, including procedures, methodologies and controls for assuring financial accuracy and that disclosure would expose the most sensitive details of the company's financial workings. In addition, Movant states that the KPMG reviews provide detailed information about the accounting practices and financial strategies of the company and that disclosure would unfairly advantage competing operators.

Items 6 and 97 through 99 — request information about the accounting Customer Service System ("CSS"). Item 6 requests details of Movant's vetting process used in making its decision to use SAP Industries Inc. ("SAP") and Accenture LLP

("Accenture"). Item 97 requests a comparison of forecasted costs and efficiencies prepared in advance and related to the new CSS system to the actual costs of the CSS system. Item 98 requests copies of the contracts with SAP and Accenture and an explanation of how the costs cited in the contract reconcile to the costs recorded on Movant books and the amounts recorded included in the base period and the fully forecasted test period. Item 99 requests information relating to contract language and terms regarding refunds from or additional payments required to Accenture. For Items 6, 97, 98, and 99, Movant's responses included a request that the attachments to each be given confidential treatment based upon the information requested, including contract negotiations and documents, forecasted and actual cost analyses, due diligence documents, and other highly sensitive matters, which contain internal strategies for negotiating contracts, the internal costs and analyses of savings, as well as other related accounting and financial information, and would provide competitors with Movant's operational strategies and give potential vendors information as to the company's negotiating methods.

Items 105, 107, and 179 request information that is customer specific including the names of customers and their usage, contract terms, correspondence and related information. Movant states that the information would give competitors of Movant, as well as competitors of those customers, information that could be used to negotiate favorable terms for them as well as develop marketing strategies harmful to Movant or those specific customers. Movant's response had customers' names redacted.

Item 176 requests information regarding proposed extension of service and related analyses, the disclosure of which Movant states, could harm Movant's ability to

compete for business in Kentucky and could harm its customers by giving competitors detailed information concerning the planning strategies, costs, marketing incentive, and other information that would give competitors an advantage. Item 180 requests copies of presentations made to rating agencies or investment firms by Movant. Movant states that these presentations contain highly sensitive information about the company's financial condition, its expectations and potential investments, business plans and other closely held information, and that the correspondence details the process used to determine the credit rating of proposed debt securities. Movant's response to Item 176 requests that the attachment to Item 176(h) be given confidential treatment.

Item 180 requests copies of all presentations made to rating agencies and/or investment firms by Movant. Movant states that these presentations contain highly sensitive information about the company's financial condition, its expectations and potential investment, business plans and other closely held information. Movant states that maintaining the propriety of this information is essential to the financial integrity of its debt rating.

Item 212 deals with special contracts that have been previously determined to be confidential by the Commission and that include information that identifies customer names and customer identifiable information. Movant states that disclosure would permit an unfair advantage to its competitors. Movant's responses had customers' names redacted, and stated that Item 212(i) was on file with the Commission and that the information requested by Items 212(j) and (k) was unavailable. Having carefully considered the motion and the materials at issue, the Commission finds that:

1. The materials for which Movant seeks confidential treatment meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(a), KRS 61.878(1)(c)1, and 807 KAR 5:001, Section 13.

2. The materials for which Movant seeks confidential treatment should not be placed in the public record or made available for public inspection for an indefinite period of time due to the personal and proprietary nature of the information requested to be held confidential, the disclosure of which could result in an unwarranted invasion of personal privacy or could result in competitive harm to Movant.

IT IS THEREFORE ORDERED that:

1. Movant's motion for confidential protection is hereby granted.

2. The materials for which Movant seeks confidential treatment shall not be placed in the public record nor made available for public inspection for an indefinite period of time.

3. Use of the materials in question in any Commission proceeding shall comply with 807 KAR 5:001, Section 13(9).

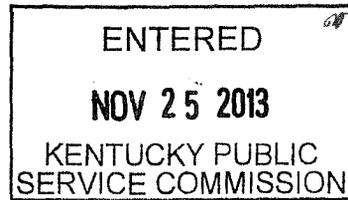
4. Movant shall inform the Commission if the materials in question become publicly available or no longer qualify for confidential treatment.

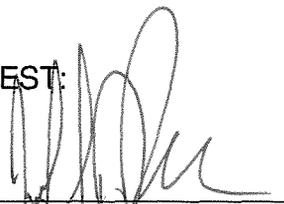
5. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order and the period during which the materials have been granted confidential treatment has not run, the Movant shall have 20 days from receipt of written notice of the request to demonstrate that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Movant is

unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

6. The Commission shall not make the requested materials available for inspection for 20 days following an Order finding that the materials no longer qualify for confidential treatment in order to allow Movant to seek a remedy afforded by law.

By the Commission



ATTEST:  
  
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Executive Director

Honorable John M Dosker  
General Counsel  
Stand Energy Corporation  
1077 Celestial Street  
Building 3, Suite 110  
Cincinnati, OHIO 45202-1629

Eric Wilen  
Project Manager-Rates & Regulatory Affairs  
Atmos Energy Corporation  
5420 LBJ Freeway, Suite 1629  
Dallas, TEXAS 75420

Gregory T Dutton  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

Jennifer B Hans  
Assistant Attorney General's Office  
1024 Capital Center Drive, Ste 200  
Frankfort, KENTUCKY 40601-8204

Honorable Dennis G Howard II  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

Honorable John N Hughes  
Attorney at Law  
124 West Todd Street  
Frankfort, KENTUCKY 40601

Mark R Hutchinson  
Wilson, Hutchinson & Poteat  
611 Frederica Street  
Owensboro, KENTUCKY 42301

Heather Napier  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204